



HOWARD MARKLEIN

STATE SENATOR • 17TH SENATE DISTRICT

Capitol Update
By Senator Howard Marklein
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Reform vs. Repeal

This past week the Senate Committee on Labor and Government Reform scheduled a public hearing and executive session to discuss full repeal of the prevailing wage law. As a member of this committee, I voted against full repeal.

The prevailing wage law mandates that most workers employed on public works projects must receive wages which are representative of the wages normally paid to workers on similar private projects in an area. Employers are required to base their bids on prudent planning, good management and supervision and the skill and efficiency of their workers and not solely on the wages paid to their workers.

Most projects must exceed a specified dollar threshold to be covered by these laws. Thresholds are established for single trade and multiple-trade projects based on annual surveys to establish rates. For more information about the law, please visit the Department of Workforce Development's (DWD) website:

http://dwd.wisconsin.gov/er/prevaling_wage_rate/publication_erd_8731_p.htm#1

I continue to believe that we can reform and improve the prevailing wage law. We have heard from contractors and other businesses that the law is too complex and requires reform. Others believe that there could be significant savings on projects if we weren't forced to pay prevailing wage.

In response to both sides of the issue, I have been working with stakeholder groups for the past few months learning about the complexities of the law and how we can make changes that will simplify, clarify, and reform prevailing wage. I am committed to continue working with all stakeholders on finding a compromise on this issue.

While some members of my political party see complete repeal of prevailing wage as the solution, I have been working hard to reform the law to make it work better in rural areas without dismantling the entire program and negatively impacting middle-class workers and local economies. The problems aren't in cities like Madison and Milwaukee where there is wage competition. The issues and savings could be realized in rural communities like Fennimore and

Darlington. The reforms we are working on would improve the way the law is applied statewide and particularly in our more rural areas.

In addition, I have concerns about the adverse impact an immediate repeal would have on our construction industry, which is a major part of the economy of the 17th Senate District. I also am not fully convinced that projected cost savings would fully materialize to taxpayers. We have seen conflicting studies on the savings full repeal would produce for taxpayers. The Legislative Fiscal Bureau (LFB), along with multiple state agencies, have expressed that a fiscal impact on savings to the state and local units of government would be indeterminate at this time.

In speaking with several local contractors, it is my understanding that they are actively hiring employees and the differential between their usual hire rate and the prevailing wage is not significant. Construction workers and skilled trades are in demand. This data tells me that the data being used to support full repeal may not tell the whole story.

In the past several months, I have heard from constituents across the 17th Senate District on all sides of the prevailing wage issue. I have also been working with my colleagues, stakeholders and others to find a path forward that will be a fair and responsible compromise to make the law work better for our state, especially in our rural areas. After considering this input and continuing to work on the issue, I did not vote to support a full repeal of the prevailing wage law.

For more information and to connect with me, visit my website

<http://legis.wisconsin.gov/senate/17/marklein> and subscribe to my weekly E-Update by sending an email to Sen.Marklein@legis.wisconsin.gov. Do not hesitate to call 800-978-8008 if you have input, ideas or need assistance with any state-related matters.